FOR MYSORE STATE

Food & Agriculture (195/) Department.

Rt. SERIES.

G.O. NO. 218

218

Dated 2nd April 1957

2nd April 1957

[Despatch Abstract.]

Procurement - foodgrains - S.K. —— Claims of the S. Kanara Central Cooperative Wholesale Stores pending with the Govt - Orders passed - Papers recorded.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

ADDITIONAL SECRETARY 9 NOV 1949 FOOD AND AGRICULTURE DEPT.

Ref. No. .....

Dated 27th October, 1949.

52708

To

The Hon'ble Sri P.S. Kumaraswami Raja,
Premier and

The Hon'ble Sri A.B. Shetty,
Minister for Agriculture,
Government of Madras.

SECRETARY TO GOVERNMENT 8 NOV 1949 FOOD AND AGRICULTURE DEPARTMENT

Sirs,

On behalf of the South Kanara Central Co-operative Wholesale Stores, we the Board of Directors, offer you a most hearty welcome on this memorable day of the first visit of the highest representatives of Government to our Stores. We are grateful for this rare opportunity given to us to welcome you and take it as an unmistakable sign of the deep and genuine interest you have for the Cooperative movement, in which you Sir, the Hon'ble the Premier in particular, have worked so hard, and have, by virtue of the rich experience and popular esteem you have gathered in the field as well as in other allied spheres, earned the eminent position which you now occupy.

2. On an occasion of this kind, we cannot help recalling to our memory how, so long back as at the end of October 1943, the call came from the Hon'ble the Board of Revenue to our Stores to take up the work as sole agents for procurement and wholesale distribution in this district. It was a unique and first offer of the kind made, and the critical food situation which then faced the district, impelled us to take up the work with courage in our hands, trusting in God and Government to lead us aright in the onerous task entrusted to us. We have continued the work ever since, with what satisfaction, it is not for us to say, and last year when confronted by the dead wall of finance, we almost came to a halt, but Government was pleased to come to our succor both direct as well as through the Madras Provincial Cooperative Bank and we continued the work. We had apprehensions as to the availability of adequate finance necessary for the purchase of all the foodgrains procured and mainly on that account, our Board intimated through the Collector, our inability to carry on this year. We wanted also that a chance should be given to other agencies, who may be able to serve better. But Fate willed otherwise and the Government made due arrangements for the finance for procurement this year and we understood that no more suitable agency was forthcoming. We had, therefore, to put our shoulders to the wheel again, and, unless anything seriously untoward happens, and a financial atom bomb is hurled against us

P.T.O.

we shall continue till the end of this year, which we hope will be the last year in which we do this service and possibly the last year also in which controls in their present state and scope will continue.

3. The sole monopoly of procurement in the district given to the Stores has made it the cynosure of all eyes and the impression, unfortunately for us, prevails all round that we are making good profit thereby; but all is not gold that glitters. If we may, in a kind of confidence, reveal to you the real state of affairs, we can say definitely that we stand positively to lose rather than to gain anything out of the local procurement monopoly. We do not intend to burden this address and ruffle the happiness and pleasure of the occasion by going into the inevitable figures. We content ourselves to append a confidential note, setting out the economics of the procurement. We have tried to fill up the gap between our income and expenditure on this account from other sources and with a kind Providence, we have kept our head fairly above water.

4. In this context, we feel very much disconcerted at the immediate future, which threatens to shake our insecure financial position to its very foundation. We refer to the decision arrived at the recent Conference held in Delhi of the Hon'ble Food Ministers of the Centre and Provinces in which it has been settled that a cut of 10% should be made on consumers' prices and our own Government have announced their intention not to touch the procurement prices. The inference thereby is that it is the margin of the wholesaler that will be reduced. While we do not enter into the advisability of such a procedure with regard to our Province in general, we find that any such step, if it is proposed to be taken in this district, will only force us to go out of the procurement and distribution work in this district. This is not a very pleasant prospect to contemplate and we beg to be excused for mentioning it and we leave it at that.

5. We have nothing more to add, except to present to you with a bundle of our financial woes, a list of which is appended, which we trust will receive due attention at the hands of

P.T.O.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... - 3 - *Dated*..... *19*

Government. We need hardly assure you that however sore our feelings may be at the injustice, if our claims were to be turned down, it would not deter us in the least from continuing to serve, to the best of our capacity and light in the particular sphere in which we operate.

We thank you beth once again for your kindness in coming over here.

With all our best regards.

Yours,

For the Board of Directors,

M. Shivaram

PRESIDENT.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... *Dated* 22TH October, *19* 49

LIST OF CLAIMS PENDING WITH THE GOVERNMENT.

I **Loss in Transport Charges - R.C.971/45-F**

In the serious food situation which faced the district in the year 1944-45, rapid internal movements of rice and paddy from the stocks of various scattered depots had to be made to replenish scarce and dry areas under the orders of the authorities to prevent breakdown in rationing. The total cost incurred on account of these movements, which has to be made good to this Stores amounting to Rs.91,641-12-0 was claimed, so long back as in August 1945. Four successive Collectors recommended sanction of the amount claimed and it is believed that it has been recommended more than once by the Board of Revenue also. At long last, the Board in their reference 2949-UII/46-Z4 (CS) dated 16-6-49 accepted the claim to the extent of Rs. 67,683/- and recommended to Government for sanction. The Collector, in his endorsement communicating the Board's order, directed that the balance of Rs.1,76,702-7-0 held in deposit by us after adjusting the said sum should be remitted to the Treasury urgently. In G.O. Ms.No.678 Food dated 30-7-49, the entire sum held by the Stores on account of the penalties fund, viz. Rs.2,46,385-7-0 is required to be remitted to the Treasury immediately and the claim recommended is ignored altoghether and the G.O. is silent about it. The matter is left in a flux. The amount due is..... Rs. 91,641-12- 0

Interest on cost of wheat exported to Agra- R.C.1252/46-F

Out of the excess stock of wheat imported and lying here, 2,000 tons were exported to Agra under orders of the Board and the movement was completed on 6-1-1947. The total value of the goods due to the Stores amounted to Rs.3,98,010-10-0 which was received after a long delay thus: Rs. Rs.3,20,000 on 2-9-48 and the balance of Rs. 73,010-10-0 on 22-4-48. Interest at 6% amounting to Rs.26,793 was claimed on 26-4-48. After protracted correspondence with regard to the weight, quantities, etc and a number of reminders to the Board from the Collector, the claim is said to have been rejected by the Board (reason not stated) as intimated by the Collector in his D.Dis.11349-46(R) dated 10-11-1948. We applied on 13-7-49 to the Board for reconsideration; but it is turned down as intimated in Board's Ref. Accounts - II-4-2286/49(1) dated 13-10-1949 saying that it was a tit for tat because we declined to pay interest on the panalties amountheld by us in suspense account. e have thus to approach Government. Amount involved is..... Rs. 26,793- 0- 0

P.T.O.

I Sales tax collected on Bonus surcharge - R.C.75/49-A

Bonus surcharge was being paid in advance to Government on the basis of procurement figures and recovered at the time of sale. The Commercial Tax Department has assessed and levied sales tax on the amount so realised in replenishment of the amounts remitted to the Treasury. This realisation of the bonus surcharge is not connected with the sale price and is not an item of profit to us. The assessing authority did not accept our contention and levied sales tax to the tune of Rs.33,654-8-3 in all from 27-7-47 to 30-6-49, The Commercial Tax Officer to whom we appealed has upheld the original order. An appeal hasbeen preferred to the Board on 27-7-49. It is still pending. Amount involved is ..... Rs. 33,654- 8- 3

Sales tax collected on transport surcharge - R.C.75/49-A

~~The Commercial Tax~~ To meet the cost of internal transport of locally procured stocks from surplus to deficit centres, Collector, in his R.C.8983-48 dated 17-5-48 allowed an uniform rate per mura to be collected at sale. This was being shown separately in the Cash Memos in order to classify them properly and render correct accounts to the Collector. The charges incurred and receipts were carried to a separate suspense account but not to profit and loss account. The Commercial Tax authorities held that the amounts so collected are taxable and levied a tax. We preferred an appeal to the Commercial Tax Officer, which was dismissed. An appeal has since been preferred to the Board on 21-7-1949. It is still pending. Amount involved is..... Rs. 2,468-14- 3

I Levy of licence fee under Section 8 from the agents of this Stores for 45-46 and 46-47 - R.C.946/A

The Commercial Tax authorities held that the agents (Managers) of the reception depots of this Stores who were paid commission at a fixed rate, instead of salary are agents within the meaning of Section 8 of the Madras General Sales Tax and are liable to obtain individual licences. The matter was referred to the Board twice (on 18-12-46 and 18-5-47) explaining that the designation "Agent" only signifies Managers employed by the Stores and subject to disciplinary action and control as other paid servants and are not dealers by themselves, in their individual capacity. The payment of commission instead of a fixed salary was only an economic device. The appeal was, however, turned down as per Board's Order L.Dis.T.6363/47 dated 4-9-48. The amount involved is..... Rs. 21,833- 0- 0

IX Allowance on shortages of wheatflour distributed by the Stores on subsidy basis. - R.C.293/F4

In June and July 1946, this Stores was allotted stocks of wheat products from local merchants which was ordered to be sold at reduced rates under a subsidy scheme. The claim for subsidy preferred by this Stores on 15-5-47 under instructions from the Collector was settled by the Board only December 1948, disallowing the claim for allowance for shortages. As per

Telegrams: "FOOD" Telephone: No. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124. MANGALORE

Ref:.....

Dated 19th October, 19 49

Sri M. Shiva Rau,
President.

The Hon'ble Sri P.S. Kumaraswami Raja,
Premier of madras,
M AD R A S.

Sir,

I am much obliged for including, in your forthcoming tour to our district, a visit to our Stores on the 27th of this month.

I am enclosing herein, an advance copy of the Address which will be presented to you at the visit, with enclosures referred to in it.

I may be forgiven for not submitting this earlier and to make up for the delay, I am taking the liberty of sending the advance copy to you direct, for which I request to be excused.

Regarding the long list of unsettled claims, they may, ofcourse, await action in due course and I do not ex ect you to answer in your reply on any of the points included in the list.

Yours faithfully,

M Shiva Rau

President.

EC/-

Development Deptt

Food and Agricultural Deptt Secs.

11/11/49.

Dev Sec 110213/B Pt

11.11.49.

THE S. K. CENTRAL COOPERATIVE WHOLESALE STORES LTD., NO. L. 472.

Food Office, Bunder,
Mangalore, 27-10-1949.

To

The Hon'ble Sri P.S. Kumaraswami Raja,
Premier and

The Hon'ble Sri A.B. Shetty,
Minister for Agriculture,
Government of Madras.

Copy Pp 1-13

Sirs,

On behalf of the South Kanara Central Co-operative Wholesale Stores, we the Board of Directors, offer you a most hearty welcome on this memorable day of the first visit of the highest representatives of Government to our Stores. We are grateful for this rare opportunity given to us to welcome you and take it as an unmistakable sign of the deep and genuine interest you have for the Cooperative movement, in which you Sir, the Hon'ble the Premier in particular, have worked so hard and have, by virtue of the rich experience and popular esteem you have gathered in that field as well as in other allied spheres, earned the eminent position which you now occupy.

2. On an occasion of this kind, we cannot help recalling to our memory how so long back as at the end of October, 1943, the call came from the Hon'ble the Board of Revenue to ourStores to take up the work as sole agents for procurement and wholesale distribution in this district. It was a unique and first offer of the kind made, and the critical food situation which then faced the district, impelled us to take up the work with courage in our hands trusting in God and Government to lead us aright in the onerous task entrusted to us. We have continued the work ever since, with what satisfaction, it is not for us to say, and last year, when confronted by the dead wall of finance, we almost came to a halt, but Government was pleased to come to our succor both direct as well as through the Madras Provincial Cooperative Bank and we continued the work. We had apprehensions as to the availability of adequate finance necessary for the purchase of all the foodgrains procured and mainly on that account, our Board intimated through the Collector our inability to carry on this year. We wanted also that a chance should be given to other agencies who may be able to serve better; But Fate willed otherwise and the Government made due arrangements for the finance for procurement this year and we understood that no more suitable agency was forthcoming. We had, therefore, to put our shoulders to the wheel again and, unless anything seriously untoward happens and a finaicial atom bomb is hurdled against us, we shall continue to the end of this year, which we hope will be the last year in which we do this service, and possibly the last year also in which controls in their present state and scope will continue.

3. The sole monopoly of procurement in the district given to the Store has made it the cynosure of all eyes and the impression, unfortunately for us, prevails all round that we are making good profit thereby; but all is not gold that glitters. If we may, in a kind of confidence, reveal to you the

(Contd.)

real state of affairs, we can say definitely that we stand positively to lose rather than to gain anything out of the local procurement monopoly. We do not intend to burden this address and ruffle the happiness and pleasure of the occasion by going into the inevitable figures. We content ourselves to append a confidential note, setting out the economics of the procurement. We have tried to fill up the gap between our income and expenditure on this account from other sources and with a kind Providence, we have kept our head fairly above water.

4. In this context, we feel very much disconcerted at the immediate future, which threatens to shake our insecure financial position to its very foundation. We refer to the decision arrived at the recent Conference held in Delhi of the Hon'ble Food Ministers of the Centre and Provinces in which it has been settled that a cut of 10% should be made on consumers prices and our own Government have announced their intention not to touch the procurement prices. The inference thereby is that it is the margin of the wholesaler that will be reduced. While we do not enter into the advisability of such a procedure with regard to our Province in general, we find that any such step, if it is proposed to be taken in this district, will only force us to go out of the procurement and distribution work in this district. This is not a very pleasant prospect to contemplate and we beg to be excused for mentioning it and we leave it at that.

5. We have nothing more to add, except to present you with a bundle of our financial woes, a list of which is appended, which we trust will receive due attention at the hands of Government. We need hardly assure you that however sore our feelings may be at the injustice, if our claims were to be turned down, it would not deter us in the least from continuing to serve, to the best of our capacity and light, in the particular sphere in which we operate.

We thank you both once again for your kindness in coming over here.

With all our best regards,

Yours,
For the Board of Directors,

PRESIDENT.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No. .....

Dated 27th October, 1949

C O N F I D E N T I A L

PROCUREMENT- 48-49 (Actuals)

INCOME		EXPENDITURE	Rs.
Margin at Rs.0-9-6 per mura) of rice on 11,80,000 muras)	7,00,625	Sale Tax.....	2,95,000
		Interest on borrowings	1,90,000
		Establishment charges...	1,31,300
		Godown rent.....	91,000
		Insurance.....	16,700
		Audit fees.....	19,100
		Books, Forms & Stationery	19,200
		Travelling Allowance.....	17,100
		Postage & Telegrams.....	4,900
		Remittance charges.....	4,300
		Miscellaneous charges....	12,900
	Rs. 7,00,625		Rs. 8,01,500
Net loss	Rs. 1,00,875		
	Rs. 8,01,500		

M. S. Shivaram
President.

EC/-

TELEGRAMS: "FOOD" TELEPHONE:

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... *Dated* 19th October, 1949.

LIST OF CLAIMS PENDING WITH THE GOVERNMENT. 2

I **Loss in Transport Charges - R.C.971/45-F**

In the serious food situation which faced the district in the year 1944-45, rapid internal movements of rice and paddy from the stocks of various scattered depots had to be made to replenish scarce and dry areas under the orders of the authorities to prevent breakdown in rationing. The total cost incurred on account of these movements, which has to be made good to this Stores amounting to Rs.91,641-12-0 was claimed, so long back as in August 1945. Four successive Collectors recommended sanction of the amount claimed and it is believed that it has been recommended more than once by the Board of Revenue also. At long last, the Board in their reference 2949-UII/46-Z4 (CS) dated 16-6-49 accepted the claim to the extent of Rs.67,683 and recommended to Government for sanction. The Collector, in his endorsement communicating the Board's Order, directed that the balance of Rs. 1,78,702-7-0 held in deposit by us after adjusting the Rents the said sum should be remitted to the Treasury urgently. In G.O.Ms.No.678 Food dated 30-7-49, the entire sum held by the Store on account of the penalties fund, viz. Rs.2,46,385-7-0 is required to be remitted to the Treasury immediately and the claim recommended is ignored altoghether and the G.O. is silent about it. The matter is left in a flux. The amount due is..... Rs. 91,641-12- 0

II **Interest of cost of wheat exported to Agra. R.C.1252/46-F**

Out of the excess stock of wheat imported and lying here, 2,000 tons were exported to Agra under orders of the Board and the movement was completed on 6-1-47. The total value of the goods due to the Stores amounted to Rs.3,98,010-10-0, which was received after a long delay thus: Rs. 3,20,000 on 2-9-48 and the balance of Rs.78,010-10-0 on 22-4-48. Interest at 6% amounting to Rs.26,793 was claimed on 26-4-48. After protracted correspondence with regard to the weight, quantities, etc and a number of reminders to the Board from the Collector, the claim is said to have been rejected by the Board (reasons not stated) as intimated by the Collector in his D.Dis.11349-46(R) dated 10-11-48. We applied on 13-7-49 to the Board for re-consideration; but it is turned down as intimated in Board's Ref.Accounts - II-4-2286/49(1) dated 13-10-1949 saying that it was a tit for tat because we declined to pay interest on the penalties amount held by us in suspense account. We have thus to approach Government. Amount involved is... Rs. 26,793- 0- 0

III **Maize exported to Travencoor - R.C.1217/46-F**

In their order Ref.D.4409-46-2 CS d/6-12-46, the Board directed the supply of 4,000 tons of Maize from this District Province to Travancore Government out of which, we were ordered to supply 1,000 tons. The export of this maize was completed in the last week of December 1946. The amount was paid after a protracted delay and we claimed an interest of

P.T.O.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Rs. 2,797-7-3 on 19-4-1948. The Collector, in his endorsement Ref.18396-47(2) dated 6-8-49, communicated copy of Board's Order Ref.No.94742/49/LIV (2) dated 1-941949 that the Government of India have decided to allow a profit of of 4 annas per bag in lieu of interest and that orders for payment are awaited from the Regional Food Commissioner, Madras. This covers our claim fully, but it is not known when at all the amount will be actually received by us. Amount involved is..... Rs. 2,797- 7- 3

IV 2,000 tons Maize imported from Malabar-R.C.70/48-F

2000 tons of maize were ordered to be imported into this district from Malabar stocks and as required by the Collector of Malabar, the estimated cost thereof amounting to Rs.4,50,000 was remitted to him by telegraphic transfer in the last week of June 48. The total cost due to the Collector of Malabar on account of this maize, as intimated by him, amounted to Rs.4,44,105-3-3; but the actual amount realised by us on this consignment amounted only to - Rs. 4,41,422-4-0, leaving thus a balance of Rs.2,682-15-3 with the Malabar Collector due to us. This has been intimated by the Collector of South Kanara in his R.C.No.11386-48(R) d/11-12-1948, requesting the Board to sanction payment of this amount to us. The Collector sent a series of reminders to the Board on 25-4-49, 16-5-49, 6-6-49, 28-6-49, 19-7-49, 8-8-49 and 2-9-49. No orders till now. Amount involved is..... Rs. 2,682-15- 3

IV Allowance for preparation and submission of weekly return - R.C.1042/F2

Weekly stock returns are got from nearly 200 depots scattered all over the district and these are compiled here and submitted to the Collector for his weekly telegraphic report to the Board. Government ~~did~~ allowed at the rate of Rs.2/- per month per depot and Rs.2,208/- claimed for the year 1947-48 was paid. In Government Memorandum No.1512 VIII/46-1 dated 30-4-46 payment of an allowance of Rs.2/- per mensem on account of the weekly stock returns was sanctioned with effect from 1-4-46. Hence the allowance due for 1946-47 was claimed, but the Board in Proceedings No.D.Dis.7757-48-P dated 24-7-48 turned down the claim as inadmissable for reasons not stated. These returns have been submitted in the subsequent years also, i.e. 48-49 and 49-50, but as the principle of payment made for the year 47-48 has been held to be inapplicable for the previous year for reasons not given, the Stores has not ventured into pressing for the turned down claim or urging for payment of 48-49 and 49-50. Approximate amount involved for the three years is about Rs. 6,000- 0- 0

Sales Tax collected on Bonus surcharge-R.C.75/49-A

Bonus surcharge was being paid in advance to Government on the basis of procurement figures and recovered at the time of sale. The Commercial Tax Department has assessed and levied sales tax on the amount so realised in replenishment of the amounts remitted to the Treasury. This realisation of the Bonus surcharge is not connected with the sale ppice and is not an item of profit to us. The ~~a~~ assessing

P.T.O.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

authority did not accept our contention and levied sales tax to the tune of Rs.33,654-8-3 in all from 27-7447 to 30-6-49. The Commercial Tax Officer to whom we appealed has upheld the original order. An appeal has been preferred to the Board on 21-7-49. It is still pending. Amount involved is Rs. 33,654- 8- 3

VI) Sales Tax collected on Transport surcharges: R.C.75/49-A

To meet the cost of internal transport of locally procured stocks from surplus to deficit centres, Collector, in his R.C.8983-48 dated 17-5-48 allowed a uniform rate per mura to be collected at sale. This was being shown separately in the cash memos in order to classify them properly and render correct accounts to the Collector. The charges incurred and receipts were carried to a separate Suspense account but not to Profit and Loss account. The Commercial Tax authorities hold that the amounts so collected are taxable and levied a tax. We preferred an appeal to the Commercial Tax Officer which was ~~dismissed~~ dismissed. An appeal has since been preferred to the Board on 21-7-1949. It is still pending. Amount involved is..... Rs. 2,468-14- 3

VII) Levy of licence fee under Section 8 from the Agents of this Stores for 45-46 and 46-47 - R.C.946-A

The Commercial Tax Authorities held that the agents (Managers) of the reception depots of this Stores who were paid commission at a fixed rate, instead of salary are agents within the meaning of Section 8 of the Madras ~~Tax~~ General Sales Tax act and are liable to obtain indivudual licences. The matter was referred to the Board twice (on 18-12-46 and 18-5-47) explaining that the designation "Agent" only signifies Managers employed by the Stores and subject to disciplinary action and control as other paid servants and are not dealers by themselves, in their individual capacity. The payment of commission instead of a fixed salary was only an economic device. The appeal was, however, turned down as per Board's Order L.Dis.T. 6363/47 dated 4-9-1948. The amount involved is..... Rs. 21,833- 0- 0

VIII) Allowance on shortages of wheatflour distributed by this Stores on Subsidy basis - R.C.293/F4

In June and July 1946, this Stores was allotted stocks of wheat products from local merchants which was ordered to be sold at reduced rates under a subsidy scheme. The claim for subsidy preferred by this Stores on 17-5-47 under instructions from the Collector was settled by the Board only in December 1948, disallowing the claim for allowance for shortages. As per instructions of the Collector, only a shortage allowance had been claimed; but not reconditioning charges. The amount involved is..... Rs. 791- 1- 0

Besides the above, due to delay in settling the subsidy claim, this stores claimed compensation towards interest. This was turned down in Boards Ref. III (2) Accounts-535/48-D d/16-12-1948. The amount ~~involved~~ of interest claimed is..... Rs. 2,531- 7- 3

Total. Rs. 1,91,194- 1- 3

PRESIDENT.

Food & Agri

Endt no.

Reference to the Collector of South Kanara, for very urgent remarks. Note to Bd of Rev (C)

mp
16.11.49

To
The Coll: of
South Kanara
(with a copy of Appt + Enclts)
— Bd of Revenue
(with encl)

C.R.

Pl see the representation from the Pdt. South Kanara coop Central Stores on pp 1-13 ante and the minutes of H.P.T. on p 1 and p 15 ante. A draft Endt. calling for the remarks of the Coll: of South Kanara is put up above for approval.

16/11/49

E

There is no point in taking a view. Both sides are very strong.

17/11/49

Spoken
16.11.49

TELEGRAMS: "FOOD" Copy of pp 1-13 ante TELEPHONE: NO. 12

S. K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

H.M(Food)
This was presented to me when I visited the Stores office with

Ref. No. ..... Dated 27th October, 1949.

To H.Pr. rcd 27-10-49. The representation deserves early consideration. 28/10 HM(Agri)

The Hon'ble Sri P.S. Kumaraswami Raja,
Premier and

The Hon'ble Sri A.B. Shetty,
Minister for Agriculture,
Government of Madras.

Scay FM

55873 HM(Food)

Sirs,

On behalf of the South Kanara Central Co-operative Wholesale Stores, we the Board of Directors, offer you a most hearty welcome on this memorable day of the first visit of the highest representatives of Government to our Stores. We are grateful for this rare opportunity given to us to welcome you and take it as an unmistakable sign of the deep and genuine interest you have for the Cooperative movement, in which you Sir, the Hon'ble the Premier in particular, have worked so hard, and have, by virtue of the rich experience and popular esteem you have gathered in the field as well as in other allied spheres, earned thems eminent position which you now occupy.

2. On an occasion of this kind, we cannot help recalling to our memory how, so long back as at the end of October 1943, the call came from the Hon'ble the Board of Revenue to our Stores to take up the work as sole agents for procurement and wholesale distribution in this district. It was a unique and first offer of the kind made, and the critical food situation which then faced the district, impelled us to take up the work with courage in our hands, trusting in God and Government to lead us aright in the onerous task and t entrusted to us. We have continued the work ever since, with what satisfaction, it is not for us to say, and last year when confronted by the dead wall of finance, we almost came to a halt, but Government was pleased to come to our succor both direct as well as through the Madras Provincial Cooperative Bank and we continued the work. We had apprehensions as to the availability of adequate finance necessary for the purchase of all the foodgrains procured and mainly on that account, our Board intimated through the Collector, our inability to carry on this year. We wanted also that a chance should be given to other agencies, who may be able to serve better. But Fate willed otherwise and the Government made due agx arrangements for the finance for procurement this year and we understood that no more suitable agency was forthcoming. We had, therefore, to put our shoulders to the wheel again, and, unless anything seriously untoward happens, and a financial atom bombxx is hurdled against us

P.T.O.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S.K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No. ..... - 2 - Dated ..... 19 .

we shall continue till the end of this year, which we hope will be the last year in which we do this service and possibly the last year/also in which controls in their present state and scope will continue.

3. The sole monopoly of procurement in the district given to the Stores has made it the cynosure of all eyes and the impression, unfortunately for us, prevails all round that we are making good profit thereby; but all is not gold that glitters. If we may, in a kind of confidence, reveal to you the real state of affairs, we can say definitely that we stand positively to lose rather than to gain anything out of the local procurement monopoly. We do not intend to burden this address and ruffle the happiness and pleasure of the occasion by going into the inevitable figures. We content ourselves to append a confidential note, setting out the economics of the procurement. We have tried to fill up the gap between our income and expenditure on this account from other sources and with a kind Providence, we have kept our head fairly above water.

4. In this context, we feel very much disconcerted at the immediate future, which threatens to shake our insecure financial position to its very foundation. We refer to the decision arrived at the recent Conference held in Delhi of the Hon'ble Food Ministers of the Centre and Provinces in which it has been settled that a cut of 10 should be made on consumers prices and our own Government have announced their intention not to touch the procurement prices. The inference thereby is that it is the margin of the wholesaler that will be reduced. While we do not enter into the advisability of such a procedure with regard to our Province in general, we find that any such step, if it is proposed to be taken in this district, will only force us to go out of the procurement and distribution work in this district. This isnot a very pleasant prospect to contemplate and we beg to be excused for mentioning it and we leave it at that.

5. We have nothing more to add, except to present to you with a bundle of our financial woes, a list of which is appended, which we trust will receive due attention at the hands of

P.T.O.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S.K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... - 3 - *Dated*..... *19* .

Government. We need hardly assure you that however sore our feelings may be at the injustice, if our claims were to be turned down, it would not deter us in the least from continuing to serve, to the best of our capacity and light in the particular sphere in which we operate.

We thank you both once again for your kindness in coming over here.

With all our best regards.

Yours,

For the Board of Directors,

M. Shivaram

PRESIDENT.

TELEGRAMS: "FOOD" TELEPHONE: NO. 12

S.K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... *Dated* 27th October, *1949*.

C O N F I D E N T I A L

PRPCUREMENT - 48-49 (Actuals)

INCOME		EXPENDITURE	
			1
Margin at h.0-9-6 per mura of rice on 11,80,000 muras	7,00,625	Sale Tax.....	2,95,000
		Interest on borrowings	1,90,000
		Establishment charges	1,31,300
		Godown rent.....	91,000
		Insurance.....	16,900
		Audit fees.....	19,100
		Books,Forms & Stationery	19,200
		Travelling Allowance....	17,100
		Postage & Telegrams.....	4,900
		Remittance charges.....	4,300
		Miscellaneous charges....	12,900
	h.7,00,625		h. 8,01,500
Net loss	h.1,00,875		
	h.8,01,500		

M.S.Shivaram

PRESIDENT.

LEGRAMS: "FOOD" TELEPHONE: NO. 12

S.K. Central Co-operative Wholesale Stores, Ltd., No. L. 472.

Post Box No. 124, MANGALORE.

Ref. No...... *Dated* 27TH October, *19* 49

LIST OF CLAIMS PENDING WITH THE GOVERNMENT.

I Loss in Transport Charges - R.C.971/45-F

In the serious food situation which faced the district in the year 1944-45, rapid internal movements of rice and paddy from the stocks of various scattered depots had to be made to replenish scarce and dry areas under the orders of the authorities to prevent breakdown in rationing. The total cost incurred on account of these movements, which has to be made good to this Stores amounting to Rs.91,641-12-0 was claimed, so long back as in August 1945. Four successive Collectors recommended sanction of the amount claimed and it is believed that it has been recommended more than once by the Board of Revenue also. At long last, the Board in their reference 2949-UII/46-Z4 (CS) dated 16-6-49 accepted the claim to the extent of Rs. 67,683/- and recommended to Government for sanction. The Collector, in his endorsement communicating the Board's order, directed that the balance of Rs.1,76,702-7-0 held in deposit by us after adjusting the said sum should be remitted to the Treasury urgently. In G.O. Ms.No.678 Food dated 30-7-49, the entire sum held by the Stores on account of the penalties fund, viz. Rs.2,46,385- -0 is required to be remitted to the Treasury immediately and the claim recommended is ignored altoghether and the G.O. is silent about it. The matter is left in a flux. The amount due is... ..... Rs. 91,641-12- 0

II Interest on cost of wheat exported to Agra- R.C.1252/46-F

Out of the excess stock of wheat imported and lying here, 2,000 tons were exported to Agra under orders of the Board and the movement was completed on 6-1-1947. The total value of the goods due to the Stores amounted to Rs.3,98,010-10-0 which was received after a long delay thus: Rs. Rs.3,20,000 on 2-9-48 and the balance of Rs. 73,010-10-0 on 22-4-48. Interest at 6% amounting to Rs.26,793 was claimed on 26-4-48. After protracted correspondence with regard to the weight, quantities, etc and a number of reminders to the Board from the Collector, the claim is said to have been rejected by the Board (reason not stated) as intimated by the Collector in his D.Dis.11349-46(R) dated 10-11-1948. We applied on 13-7-49 to the Board for reconsideration; but it is turned down as intimated in Board's Ref. Accounts - II-4-2286/49(1) dated 13-10-1949 saying that it was a tit for tat because we declined to pay interest on the penalties amountheld by us in suspense account. e have thus to approach t Government. Amount involved is..... Rs. 26,793- 0- 0

P.T.O.

III Maize exported to Travencore -R.C.1217/46-F

In their order Ref.D.4409-46-2 CS d/6-12-46, the Board directed the supply of 4,000 tons of maize from this Province to Travencore Government out of which, we were ordered to supply 1,000 tons. The export of this maize was completed in the last week of December 1946. The amount was paid after a protracted delay and we claimed an interest of Rs. 2,797-4-1948. The Collector, in his endorsement Ref.18396-47(R) dated 6-8-1949, communicated copy of Board's order Ref.No.94742/49/LIV (2) dated 1-9-1949 that the Government of India have decided to allow a profit of 4 annas per bag in lieu of interest and that orders for payment are awaited from the Regional Food Commissioner, Madras. This covers our claim fully, but it is not known when at all the amount will be actually received by us. Amount involved is..... Rs. 2,797- 7- 3

IV 2,000 tons maize imported from Malabar - R.C.70/48-F

2,000 tons of maize were ordered to be imported into this district from Malabar stocks and as required by the Collector of Malabar, the estimated cost thereof amounting to Rs.4,50,000 was remitted to him by telegraphic transfer in the last week of June 1948. The total cost due to the Collector of Malabar on account of this maize, as intimated by him, amounted to Rs. 4,41,105-3-3; but the actual amount realised by us on this consignment amounted only to Rs. 4,41,422-4-0, leaving thus a balance of Rs. 2,682-15-3 with the Malabar Collector due to us. This has been intimated by the Collector of South Kanara in his R.C.No.11386-48(R) d/11-12-48, requesting the Board to sanction payment of this amount to us. The Collector sent a series of reminders to the Board on 25-4-49, 16-5-49, 4-6-49, 28-6-49, 19-7-49, 8-8-49 and 2-9-1949. No orders till now. Amount involved is..... Rs. 2,682-15- 3

V Allowance for preparation and submission of weekly return - R.C.1042/F2.

Weekly stock returns are got from nearly 200 depots scattered all over the district and these are compiled here and submitted to the Collector for his weekly telegraphic report to the Board. Government allowed at the rate of Rs.2/- per month per depot and Rs. 2,208/- claimed for the year 1947-48 was paid. In Government Memorandum No. 1512 UIII/46-1 dated 30-4-46 payment of an allowance of Rs. 2/- per mensem on account of the weekly stock returns was sanctioned with effect from 1-4-46. Hence, the allowance due for 1946-47 was claimed, but the Board in Proceedings NO. L.Dis 7757-48-P dated 24-7-48, turned down the claim as inadmissable for reasons not stated. These returns have been submitted in the subsequent years also, i.e. 48-49 and 49-50, but as the principle of payment made for the year 47-48 has been held to be inapplicable for the previous year for reasons not given, the Stores has not ventured into pressing for the turned down claim or urging for payment of 48-49 and 49-50. Approximate amount involved for the three years is about..... Rs. 6,000- 0- 0

VI Sales tax collected on Bonus surcharge - R.C.75/49-A

Bonus surcharge was being paid in advance to Government on the basis of procurement figures and recovered at the time of sale. The Commercial Tax Department has assessed and levied sales tax on the amount so realised in replenishment of the amounts remitted to the Treasury. This realisation of the bonus surcharge is not connected with the sale price and is not an item of profit to us. The assessing authority did not accept our contention and levied sales tax to the tune of Rs.33,654-8-3 in all from 27-7-47 to 30-6-49, The Commercial Tax Officer to whom we appealed has uphold the original order. An appeal hasbeen preferred to the Board on 27-7-49. It is still pending. Amount involved is ..... Rs. 33,654- 8- 3

VII Sales tax collected on transport surcharge - R.C.75/49-A

~~The Commercial~~ To meet the cost of internal transport of locally procured stocks from surplus to deficit centres, Collector, in his R.C.8983-48 dated 17-5-48 allowed an uniform rate per mura to be collected at sale. This was being shown separately in the Cash Memos in order to classify them properly and render correct accounts to the Collector. The charges incurred and receipts were carried to a separate suspense account but not to profit and loss account. The Commercial Tax authorities held that the amounts so collected are taxable and levied a tax. We preferred an appeal to the Commercial Tax Officer, which was dismissed. An appeal has since been preferred to the Board on 21-7-1949. It is still pending. Amount involved is..... Rs. 2,468-14- 3

VIII Levy of licence fee under Section 8 from the agents of this Stores for 45-46 and 46-47 - R.C.946/A

The Commercial Tax authorities held that the agents (Managers) of the reception depots of this Stores who were paid commission at a fixed rate, instead of salary are agents within the meaning of Section 8 of the Madras General Sales Tax and are liable to obtain individual licences. The matter was referred to the Board twice (on 18-12-46 and 18-5-47) explaining that the designation "Agent" only signifies Managers employed by the Stores and subject to disciplinary action and control as other paid servants and are not dealers by themselves, in their individual capacity. The payment of commission instead of a fixed salary was only an economic device. The appeal was, however, turned down as per Board's Order L.Dis.T.6363/47 dated 4-9-48. The amount involved is..... Rs. 21,833- 0- 0

IX Allowance on shortages of wheatflour distributed by the Stores on subsidy basis. - R.C.293/F4

In June and July 1946, this Stores was allotted stocks of wheat products from local merchants which was ordered to be sold at reduced rates under a subsidy schem . The claim for subsidy preferred by this Stores on 18-5-47 under instructions from the Collector was settled by the Board only December 1948, disallowing the claim for allowance for shortages. As per

45

Food & Agr

A.

Memo No 52078 A/Sub-(1) 29/11/49

Sub:- Procurement- Foodgrains- claims of the South Kanara Central Coop Wholesale Stores Ltd pending with the Govt- Early Settlement- Remarks called for.

Ref 1) Memorandum from the PDR, South Kanara Central Coop Wholesale Stores Ltd, addressed to H.P. & H.M. dt 27/10/49

In the memorandum cited the PDR of the South Kanara Central Coop Wholesale Stores Ltd has represented that certain claims to the tune of Rs 1,91,194-1-3 are pending with the Govt. The Bd of Rev (CS) is requested to examine the claims of the Stores and Submit a

D/ /

report very urgently to the Govt

23/11/49

23.11.49

O.K.

I see the representation from M/s HH, S.K.S. C.W Stores on pp 1-13 Cf. the memorial of H H & Co at B' complete and at C complete L and the memorials of H M (Agri) and H.M (Food) on p 29 Cf.

As instructed by A.S, a draft O.M. Pl see also the order of A.S at 'E' on p 28 Cf is submitted for approval.

23/11/49

23.11.49

Paras 1 & 3 of the memorial do not call for any remarks.

As regards para 4, there is no proposal to reduce the margin. On the other hand the intention is to increase the margin slightly.

Para 5 above calls for action. A report may be called for from the ~~Collector~~ ~~Govt~~ RD-cum-DC. The draft at pt 1-2 above may be approved. After issue of draft a note for circulation may be put up.

CAT
25/11/09

MAS
29/11/09

S

29/11/09

62 lhs

BOARD OF REVENUE (CIVIL SUPPLIES)

Procurement - Foodgrains - Claims of the South Kanara Central Cooperative Wholesale Stores, Ltd., - Pending with the Government - Settlement - Report.

= =

Bds.Ref No. Accounts.II.4.4564/49/1/CS dated 13.12.1949

From

ASSISTANT SECRETARY
14 DEC 1949
FOOD AND AGRICULTURE DEPARTMENT

Sri N.S.Arunachalam I. C. S.
Director of Civil Supplies.

SRI A.F.Mascarenhas,
Secretary to the Commissioner of
Civil Supplies, Madras.

Read: Government Food and Agriculture Dept.
Memo No. 52078/A49-1 dated 29.11.1949.

15 ... ante

--

With reference to the Government Memorandum cited, the Board submits a statement showing the present stage in the disposal of the several claims detailed in the list furnished by the South Kanara Central Co-operative Wholesale Stores, Ltd.,

2. A separate report will be made on items I and V A copy of the Government Memo and of the list of claims of the Stores has been sent to the Commercial Taxes Branch of the Board and it will report to the Government separately about the claims with which it is concerned. (items VI,VII and VIII of the list)

V. K. Subramanyam

For Secretary.

To the Secretary to the Government, Food and Agriculture Department, Fort St.George, Madras.
Copy to L.IV and UII Sections.(Branch)
Copy to the Commercial Taxes,/Board of Revenue, Madras.

AVR13121949

vsf

Statement showing the present stage in the disposal of the Claims shown in the list of the South Kanara Central Co-operative Wholesale Stores, Ltd.,

---

Item No. II - Claim for interest : Rs.26,793:

The claim for interest in this case was rejected by the Board primarily because there was no prior understanding as to payment of interest and the Stores has held large amounts due to the Government for long periods. The Stores have now preferred an appeal to the Government against the orders of the Board. The appeal will be submitted to the Government with remarks after certain particulars called for from the Collector of South Kanara are received. In this connection the Board invites the attention of the Government to its reference Accounts.II.4.2286/49(3) dated 28-11-1949.

Item No. III: Rs. 2,797--7--3:

The Government of India have since sanctioned a sum of Rs.2797--7--3 claimed by the Stores and the Accountant General, Madras has been asked to state whether the Credit afforded by the Deputy Accountant General, Food and Rehabilitation has been adjusted to the credit of the Personal Deposit account of the Commissioner of Civil Supplies. The Accountant General has been specially reminded in the matter in Board's Ref.No.94742/48/LIV/2 dated 9.12.1949. The amount will be paid to the Stores on receipt of intimation of adjustment from the Accountant General, Madras.

Ttem No.IV: Rs.2,682--15--3:

The amount of Rs.2682--15--3 claimed by the South Kanara Central Cooperative Wholesale Stores Limited, towards subsidy included a claim for Rs.852--2--0 towards insurance charges which was inadmissible and was therefore disallowed. Out of the balance amount of Rs.1830--13--3 (Rs.2682--15--3 minus 852--2--0) actually due to the Stores, a sum of Rs.1147--8--3 was sanctioned as subsidy in Board's Reference No.160728/48/LIV/2 dated 14.10.1949 and the amount was drawn by the Collector of South Kanara and disbursed to the Stores in October 1949. The Collector of Malabar was asked to refund the balance of Rs.683--5--0 from the amount deposited with him by the Collector of South Kanara on behalf of the Stores and he has been asked to report whether the amount has since been refunded to the Stores. A further report will be sent on receipt of his reply.

Item No.IX: Claim for Shortage allowance Rs. 791--1--0
Claim for interest. Rs.2531--7--3

The claim for shortage allowance was disallowed because subsidy was paid to the Stores on the full quantity held by them when the subsidised sales came into force. The report of the Collector of South Kanara did not also show that there was any shortage in the quantity held by the Stores. The payment of the claim for shortage allowance when there was no real shortage would only result in a profit to the stores which cannot be reasonably allowed, as it will add to the loss already incurred by Government by selling wheat and wheat products at

~~wheat products at~~ less than their cost price. The claim for interest was disallowed as there was no stipulation to pay it and as the stores were allowed profit on the usual ~~xx~~ scale.

V.K Ramamurthy

For Secretary.

16.12.49.

BOARD OF REVENUE(CIVIL SUPPLIES)

3212

Subject:

Procurement and distribution - Foodgrains - South Kanara dist[illegible] Claims by the South Kanara district Co-operative Wholesale St[illegible] pending with the Government - Settlement - Report submitted -

Ref:No.056907.UII-49-1
Dated 6-1-1950.

From

Sri V.S. HEJMADI, I.C.S.,
Commissioner of Civil Supplies.

Sri K.SUBBA RAO, B.A.,
Jt.Secretary to the Commissioner of Civil Supplies.

plus-calculate

Ref: i) From the Government (Food and Agriculture Department) Memorandum No.52078/A/49-1 dated 29-11-1949.

ii) Board's Ref:No.Accts.II-4.4564/49-1(CS) d/13-12-49.

In continuation of its reference cited above, the Board offers the following remarks on points I & V in the list attached to the petition of the Central Co-operative Stores, South Kanara.

Item 1:- Loss in transport charges.

The Board submits that the proposal to pay a sum of [illegible], being the loss said to have been incurred in transport charges fr[illegible] out of the savings effected by way of short payments to producers for late deliveries of foodgrains was not accepted and final [illegible] were passed by the Government in G.O.No.678 (Food) dated 30-7-49 in the matter. A further representation from the Stores in the matter has been submitted to Government with Board's reference No.57674-UII-47-34 dated 21-11-49 for their information.

Item V:- Sales tax collected in bonus surcharge:

The Collector of South Kanara was asked in Board's Reference No.77015/U5-49-1 dated 15-7-49 to ascertain and report the bonus surcharge actually collected by the Stores and the amount of bonus surcharge remitted by it to Government. The Collector applied for time till 31-12-49 for the submission of his report and it is awaited. Further action will be taken in the matter on receipt of the Collector's report.

T R Narayanan
11.1.50

FOR JT.SECRETARY.

To
The Secretary to Government, 11-1-50
Food and Agriculture Department, Fort St.George, Madras.

sk.6/1.

4799

REVENUE DEPARTMENT

Subject.

PROCUREMENT - Food grains - Claims of South Kanara Central Co-operative Wholesale Stores Ltd., - Pending with the Government - Early settlement - Remarks called for - Submitted.

Station: Madras L.Dis.B.7023/49 Dated 17/1/50.

From

Md. S.M. Hussain,
Secretary to the Commr. of Commercial Taxes.

--

Sri V.N. Kudva, I.C.S.,
Commissioner of Commercial Taxes.

--

Read:-

From the Govt. Food & Agricultural Dept. Memo No.52078-A/49-1 dated 29-11-49.
Board's Ref.No.Accounts.11-4-4564/49/1/CS. d/ 13-12-49.

L.DIS.

With reference to the Government Memorandum cited above, the Board submits the following report in respect of items (v), (vi) and (vii) in the list appended to the memorandum which relate to the C.T.Department.

Item (vi) Sales Tax Collected on Bonus Surcharge:-

The stores contended that the levy of sales tax on Bonus surcharge amounting to Rs.580227-15-3 for the year 1947-48 was illegal and preferred a revision petition to the Board under Section 12 of the M.G.S.T.Act, 1939. Bonus surcharge was allowed by the Government to permit a bonus to the agriculturists as an incentive to cultivation and procurement. One half of the bonus was allowed to be collected by the stores by an equivalent increase in the wholesale price of rice and paddy - the other half being subsidised by the Government. As the wholesale price itself was fixed inclusive of the surcharge by the Collector - retail price suffering an appropriate rise as well, the levy of the tax on this item is in order. As the assessment was in order, the Board rejected the revision petition.

Item (vii) Collection of Sales Tax on Transport Charges:-

The Stores contended that the amounts were shown separately in each bill and that it should be exempted under rule 5(1)(g) of the Turnover & Assessment Rules, 1939. The turnover involved for 47-48 under this item is Rs.1,73,214-2-5. This amount represents transport charges collected by the stores from retailers in order to recoup the extra expenditure incurred in connection with the inter-taluk transport of local stocks of rice and paddy and this resulted in an increase in the wholesale issue price allowed to the stores to meet its own transport charges in respect of transferred stocks of rice and paddy. These are not charges met by the stores on behalf of the customers. These are presale charges and form part of the aggregate price of the goods sold. As the assessment was in order the Board upheld the assessment and rejected the revision petition.

In respect of these two items the revision petition

(P.T.O.)

referred to by the Stores related to the period 1947-48 only and it accounts for the difference in the figures reported by them in the memorandum.

Item VII:- <u>Levy of license fees under Section 8 from the agents of the Stores</u>:-

The stores had under them agents. The agents worked on an agreed commission on behalf of their principals, the stores. The Board held that all the agents of the stores other than those appointed on a fixed salary are commission agents liable to take out licenses under Section 8 of the M.G.S.T.Act.

for SECRETARY (C.T.)

To

The Secretary to Government,
Food & Agricultural Dept.

Copy to Civil Supplies Branch, Board of Revenue.

PEERAN.19/1/50.

9/1

F+A. 59
A

4/3.V

T.D.:9.
2.2.
Pl. issue
2/2/50

Memo No. 52078 A/49-4 dt 2-2-50

Sub:- Procurement - Foodgrains - Claims of South Kanara Central Coop Wholesale Stores - Pending with Govt - Early Settlement - Remarks called for.

Ref (i) From the Bd of Rev (CS) Ref. Acc No. 4564/49-148 dt 13-1-50.

(ii) From the " " (CS) 058907 dt 16/49-1 dt 16-1-50.

(iii) From the Bd of Rev (Comm Taxes) L. Dis. No. B. 7023/49 dt 17-1-50.

The Bd of Rev (CS) is requested to expedite the further Reports referred to in its Refces first & Second cited.

31/1/50

31/1/50

1/2/50

4/4/50 (53 cf
55 cf.
57-58 cf

To
The Bd of Rev (CS)
Pl. R-15/2/50
1/2/50

Board of Revenue (Civil Supplies)
Subject:

PROCUREMENT - Foodgrains - Claims of South Kanara Central Co-operative Wholesale Stores Ltd., - Pending with the Government - Further report - submitted.

Board's Ref.Accts.II-4-4564/49-2
dated 13th February 1950.

From

10662

Sri V.S. Hejmadi, I.C.S.,
Commissioner of Civil Supplies.

Janab K. Ghulam Mahmood, B.A.,
Secretary to the
Commissioner of Civil Supplies.

Ref:- Government, Food and Agricultural Department, Memorandum No. 52078/A/49-2 dated 29-12-1949.

The Board submits the following further report in respect of the several claims detailed in the list furnished by the South Kanara Central Co-operative Wholesale Stores Ltd.,

Item No.I. Claim for Rs. 91,641-12-0.

The report was submitted to the Government in Board's Ref. 056907-U.II/49-1 (CS) dated 6-1-1950.

Item No.III claim for Rs. 2,797-7-3.

The intimation about the adjustment of amount to the Personal Deposit Account of the Commissioner of Civil Supplies has not yet been received from the Accountant General. He was reminded again on 24-2-50.

Item No. IV.

The Collector of Malabar reported that the sum of Rs.683-5-0 was refunded tothe Collector of South Kanara on 29-12-49. The report of the latter about the disbursement of the amount to the Stores is awaited.

Item No. V. Claim for Rs. 6,000-0-0.

The Collector of South Kanara who has been asked to furnish certain particulars has asked for time till 15-2-50 for their submission. A further report will be ~~sum will be~~ submitted on ~~the report~~ receipt of his reply.

For Secretary.

VKI
13.2.50

To

The Secretary to the Government,
Food & Agriculture Department,
Madras.

VKI/1a.

BOARD OF REVENUE(CIVIL SUPPLIES).

Subject. 2042

PROCUREMENT--Foodgrains--Claims of the South Kanara Central Co-operative Wholesale Stores--Pending with the Government--Further report--Submitted

=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=

Bd's Ref.No.4564/49(3).Accts.II4
Dated 29th March 1950.

From

Sri.V.S.Hejmadi.,I.C.S.,
Commissioner of Civil Supplies,Madras.

Janab K.Ghulam Mahmood.,B.A.,I.A.S.,
Secretary to the Commissioner of Civil Supplies,Madras.

Ref:-Government of Madras,Food & Agriculture Department,Memo No.52078-A/49-5,dated 16-3-1950.

The Board submits the following further report showing the action taken for the disposal of the several claims of the South Kanara Central Co-operative Wholesale Stores.

Item No.III:- Claim for Rs.2797-7-3. This sum has been refunded to the Collector of South Kanara in Bd's Ref.94742/48.LIV-2,dated 23-3-1950 for payment to the Stores.

Item No.IV:- Claim for Rs.683-5-0. The Collector of South Kanara has since reported that the above amount has been disbursed to the Stores.

Item No.V:- Claim for Rs.6,000Ø-. The report of the Collector, South Kanara has not yet been received. He has been asked to expedite it. A further report will be submitted on receipt of his report.

for SECRETARY.

To
The Secretary to Government,Food & Agriculture Department,
Fort St.George, MADRAS.
Copy to LIV and UV.sections.
NAG/30-3-1950.

Foods + Ag

To A.S.

Pl. See the Secretary from the BR of Re above. The further report on item V above may be awaited till 20.4.50.

5/4/50 5.4.50

Sub: Procurement - Foodgrains - Claims of the South Kanara Central Co-operative Wholesale Stores - pending with the Government - early settlement.

Ref:(1) Representation from the President, South Kanara, Central Co-operative Wholesale Stores Limited dated 27/10/1949

65

58581

BOARD OF REVENUE(CIVIL SUPPLIES)

Subject:-

PROCUREMENT--Foodgrains--Claims of the South Kanara Central Co-operative Stores--Pending with Government--Report--Submitted.

Board's Ref.No.Accts.II-4 4564/49 Dated 5-9-1950.

From

SRI V.S.HEJMADI, I.C.S.,
Commissioner of Civil Supplies.

JANAB K.GHULAM MAHMOOD, B.A.,
Secretary to the Commissioner of Civil Supplies.

ASSISTANT SECRETARY 7 SEP 1950 FOOD AND AGRICULTURE DEPARTMENT

Ref:-From the Government of Madras, Food and Agriculture Department, Memo.No. 52078-A/49-9, dated 27-7-50.

With regard to the claim of the South Kanara Co-operative Wholesale Stores, Ltd., for an allowance of Rs.6,000/- for the preparation and submission of weekly returns, the Board invites the attention of the Government to their Memo.No. 41737-A/50-2, Food and Agriculture, dated 8-8-50 and submits that with reference to the orders therein steps have been taken for paying the amount due to the stores. The Board submits herewith a copy of its reference issued to the Collector of South Kanara on the subject.

for Secretary.

To

The Secretary to Government, Food and Agriculture Department, Madras (with enclos

EPR.5/9.

and 29 c.f.

10.12.49

A & B may be awaited

SECRETARY TO GOVERNMENT 20 DEC 1949 FOOD AND AGRICULTURE DEPARTMENT

HM (Food)
HM (Agri)

From the Bd of Rev (CS) Ref Accts I 4 45/64/59-65
P 3 2 65

To A.S. Pl see the orders in CM on pl clearance
Note sent memo on pp 45-46 cf
Bl. See the report from the Bd of Revenue
on pp 49-53 cf.

Out of the 9 items of claims referred by the South Kanara Central Coop Stores in their appeal petition on pp 9-13 cf, the Bd has offered its remarks on items I, II, IV & IX. It has promised to submit a separate further report on other items. This may be awaited vide 5/50.

WD 30/12/65.

12/12/65 Relevant extracts regarding relevant to items II, III, IV and IX may be given to D Section for taking further action on the receipt of further reports promised at 'A', 'B' and 'C' on p 51 cf.

Three of w.r.t. items I, III, IV & IX — pp 51-53 cf

Noted. As may be done in Rail matters.
WD 30/12/65

Y
22.12.65

Food & Agrl Dept (D)

All the items referred to above relate to the payment of interest on the capital invested by the cooperative stores (i.e.) or the amount already paid) as there was an undue delay in the payments due to them and hotel allowances etc. The claims are ~~therefore come under~~ therefore related to the subject 'financing of the cooperative stores'. The claims may therefore be appropriately be dealt with in A-Section.

Yes Recd from Fy Dept on 27/12/65
WD 27/12/65

A Agrl 28/12/65
3.12.65

WD 30/12/65

To A.S.

Food & A
A

W.r.t. Govt memo on p 45-46 Cf. p
See the further report from the Bd of Re
on p 55 Cf. The Bd's report referr
to at X on p 55 Cf may be awaited till 31.

The Bd of Rev (Commercial Taxes) may
asked to expedite the interim report on
items VI, VII & VIII. (Pl. See para 2 on p 49 ante

A draft reminder is put up he
for approval.

But up
19/1/5

Three A/Cs
to put up to Pl as P on
p 55 Cf.

19/1/50

19.1.50

To A.S.

W.r.t. para 2 of the Bd's reptee on p 49
the Bd of Rev (Commercial Taxes) Branch has sent
its report regarding items VI, VII & VIII.
(Pl. See pp 57-58 Cf)

The Bd of Rev (Cs) may be as Re
to expedite the further reports to refer
to in the references at B & C on p 61 Cf
and X on p 55 Cf.

A draft reminder is submitted
for approval.

31/1/50

31.1.50

p 59 Cf.

Issued as Memo No 5278 A/48-49 2-2-

To A.S.

W.r.t. orders of A.S. on p 4 of (N) in
the Up, extracts of item II of the claim
and the minutes of H.C.M., H.M. (Food) &
H.M (Rev) on p 1 Cf & p 29 Cf may be given to E
Section.

E.T. Red

6/2/50

6.2.50

from the Bd of Revenue(CS) Ref Accts II-4 4184/49

K.S.

Pl. See the interim rep't from the Bd of Revenue on p 61 c.f. The further report referred to at K' on p 61 c.f. may be awaited till a. 3.50.

22/4/50 M 22.4.50

Wi 25/4/50

[illegible] Bd of Revenue [illegible] 456-49

To A.S.

The President, South Kanara Central Cooperative Stores represented in para 5 on pp. 3-5 c.f. that certain claims to the tune of Rs.1,91,194-1-3 are pending with the Government and requested the Government to settle the above claims early. The claims of the Stores have been examined in the sectional notes below in consultation with the Board of Revenue(C.S) and the Board of Revenue(C.T.)

The file may be sent to Devt, Revenue and Finance Departments for remarks before circulation.

16/9/50 M 26.9.50

CA 2/10/50

Dev/Rev/Fin

Rec'd on 22.9.50

Three D. [illegible] w.r.t. claims 2 on p 3 of Sectional note 2, 3, 4 on pp 3-7, item 6 on p. 11 & items 8 & 9 on pp. 15-17 of Sectional note

FOURTH ASSISTANT SECRETARY TO GOVT. 101706 7 OCT 1950 DEVELOPMENT DEPARTMENT

Dev 611

28/11/50 Rev 20/9/50.

To AS

F. & A. notes above may be perused. No remarks are called for in this Dept'n on the sectional notes below. This may be placed before me.

IF+A No. 52. Fin

CPG 26.10.50

M 27.10.50 D.S.

10.10.50 20/10/50

Rev

Rev 25.10.50

Fin. No. 10775/51

27.10.50

The [illegible] of this [illegible] on pages 11, 13, 15-16 [illegible] are based, the file may be passed to Finance.

Rev 25.10.50

Fin 1/11/50

1/11/50 Dir 17.11.50

Fin 4/11/50

Fin (P-WR)

The President, South Kanara Central Cooperative Stores has represented that certain amounts due to them are pending settlement and has requested the Govt. to settle the claims early - see para 5 on pgs 3-5 C.F. The claims have been examined by F+A in the sectional notes below. Finance may agree with the views of F+A and Revenue in the sectional notes.

21/12/50

84953

21/12/50

JJA

JJA

ASSISTANT SECRETARY
27 DEC 1950
FOOD AND AGRICULTURE DEPARTMENT

Fin. V.O. 10.3.159 P.W.R/50-1
21-12-50

To A.S.

The P.O.f, S.K.C.C.W. Stores represented in para 5 on p3-5 Cf that certain claims to the tune of of Rs 1,91,194-1-3 are pending with the Govt. and requested the Govt. to settle the above claims early. The claims of the Stores have been examined in the Sectional notes below in consultation with the B.of Rev & Bd of Rev (C.C.T), Govt., Revenue and Finance Dept.s. Govt., Revenue and Finance agreed with the views of this Dept. It is proposed to turn down all the claims of the Stores except items III, IV & V on p5-9 of the sectional notes below.

~~The file may be circulated to~~ H.M. (Food), H.M. Agric and H.C.M. after watching the result of the ~~proposal~~ in the top file.

28/12/50

In the top file the President of S.K. C.C.W. Stores has asked

for an interview with H.M. (Fin) for discussing the settlement of the claims. The file may be circulated to H.M. (Fin) for discussion of the claims at the interview after the date of interview has been fixed.

28.12.50.

To A.S.

This may lie over till the report from the Bd proposed to be called for in the top-file is received.

31.1.51 3.1.51

8.1.51

To A.S.

The President, S.K.C.C.W.Stores represented in para 5 on pp. 3-5 c.f. that certain claims to the tune of Rs.1,91,194-1-3 were pending with the Govt. and requested the Govt. to settle the above claims early. The claims of the Stores were examined in the Sectional notes below in consultation with the Board of Revenue(C.S) and the Board of Revenue(C.T). Regarding items 3, 4 and 5 on pp. 5-9 of the sectional notes the Board reported that the amounts have since been paid to the Stores. Regarding the other items, they were discussed by the President S.K.C.C.W.Stores during his interview with H.M.(Food) on 6-1-51. The latest position has been noted in the sectional notes.

The file may be circulated to H.M.(Food), ~~H.M.(Agri.)~~ and H.C.M. for perusal with reference to minutes on p. 1 c.f, 15 c.f. and 29 c.f.

12/3/51

12.3.57

14/3/57

TO A.S. Summarising Note →

The President, S.K.C.C.W. Stores represented in para 5 on pp.3-5 cf. that certain claims to the tune of Rs.1,91,194-1-3 were pending with the Govt. and requested that these claims might be settled early. The action taken on the various claims is noted on below:

PA ... p 9 cf

Item 1. Loss in Transport charges incurred by the S.K.C.C. W. Stores in the year 1944-45 - Amount involved is Rs.91,641-12-0.

The Govt. have since issued orders in G.O. 283, F. & A. d/16.2.51 that the S.K.C.C.W. Stores might be permitted to recoup the loss of Rs.91,641-12- by suitably increasing the wholesale issue price on rice. In view of this no action is called for.

n.b. 93·9 Acf of (R)
90·283 F+A 9)
16·2·51

Item 2.

'P' on p 9 cf.

Interest claimed by the Stores on cost of wheat exported to Agra. Amount involved is Rs.26,793-0-0.

Mr. Shiva Rao, President of the Stores, during his interview with H.M.(Food) on 6.1.51 represented that it was open to the Cooperative Society to refuse to part with the stock of wheat in the absence of immediate cash payment, when he was required by the Collector of South Kanara to despatch the stocks, but he did not adopt that attitude, as he expected prompt payment and fair treatment. His main point was, that the amount covered by the wheat exported was over 4 lakhs of rupees, which the stores had borrowed from elsewhere on interest and that it would be therefore, unfair, if the Stores were denied interest for the period of delay in payment, which was inordinate. Mr. Shiva Rao also said that, if Govt. thought it necessary, he had no objection to the intrest being calculated in respect of Govt. moneys held by the Co-

p 30 n·t of (R)

P.T.O.

operative Stores.

In view of the representation made by the President, the Board of Revenue (Civil Supplies) has been asked (in a separate file) to calculate interest on the penalty amount of 2,46,385-7-0 due to Govt. which the Stores have been keeping from 1944. (On receipt of the Bd's report the claim of the stores for interest on the cost of) No separate action is called for in this file.

Item 3: Maize exported to Travancore:

The Stores claimed an interest of Rs.2797-7-3 on the cost of 1000 tons of maize exported to Travancore, as the payment to the stores was delayed for a long time. The Bd. has already ordered the Collector of South Kanara to refund this sum of Rs.2797-7-3 to the Stores. No action is called for on this.

Item 4: 2000 tons of maize imported from Malabar:

The stores represented that a sum of Rs.2682-15-3 was due to them from the Collector of Malabar on 2000 tons of maize imported by them from Malabar. The amount of Rs.2682-15-3 claimed by the Stores included a claim for Rs.852-2-0 towards insurance charges which was inadmissible and was, therefore, disallowed. The balance amount of Rs.1830-13-3 has since been paid to the stores. No action is called for on this.

Item 5: Allowance for preparation and submission of weekly return. Amount involved for the 3 years is Rs.6000-0-0 : The Bd. on 24-8-50 directed the Collector of South Kanara to pay this sum of Rs.6000. No action is called for on this.

Item 6: 47 Sales tax collected on Bonus Surcharge and transport charges. The stores represented that Sales tax to the tune of Rs.25,694-13-8 on bonus surcharge and Rs.6469-12-6 on transport charges collected from them by the Commercial Tax Department should be refunded to them.

Mr. Shiva Rao pointed out, that the Stores did not collect sales tax from the retailers or the general public, as no such direction was issued by the Collector; but that the Commercial Tax Department had recovered the taxes due under these items from the Stores. In as much as these are payable by the consumer, his point was that the loss should be reimbursed to the Cooperative Stores either by the adjustment from Govt. monies with them or by an appropriate increase on the consumers' price.

In the light of the representation made by the President, the Board of Revenue (C.S.) was asked to offer its remarks on the President's suggestion. The Board has now submitted its report and the question is being dealt with separately. No action is called for on this in this file.

Item 8: Levy of licence fee under Section 8 from the agents of the Stores for 45-46 and 46-47. The amount claimed by the Stores is Rs.21,833-0-0.

Mr. Shiva Rao, President of the Stores, during his interview with H.M.(Food) on 6.1.1951 represented that the so called agent employed for this purpose was not an independent unit, but only a clerk or Manager under the Cooperative Stores and subject to their disciplinary action and that it was therefore wrong to have treated him as an agent and collected license fee. This related to Revenue Department. Relevant extracts had already been sent to Revenue Dept. for consideration. No action is called for in this Dept.

P.T.O.

Item 9:- The Stores claimed subsidy and interest amounting to Rs.2489-9-2 on stocks of soji and wheat flour held by it on 2--6--1946. The President of the Stores duri his interview with H.M.(Food) on 6--1--1951 did not press for this amount. No action is called for on this.

The file may be circulated to H.M.(Food) and H.M.(Agri) and H.C.M. for perusal with reference to minutes on p. 1 of p. 15 of and p. 29 c.f.

No further action is called for in the file

20/3/51 Y 20.3.57

WD 23/3/57

mas 20/3/51

27/3 HM. (Food)

25/3 HM (Agri)

HCM

25/3

SECRETARY TO GOVERNOR'S
9 9 MAR 1951
FOOD AND AGRICULTURE DEPARTMENT

To A.S.

pl. see the orders in On above: The pp may now be recorded as G.O. Rt. no. 218 dt 2/4/57

20/3/51 Y 30/3/57

WD 31/3/57

G.O. Rt. no. 218 dt 2.4.57

Subj:- Procurement-Foodgrains-South Kanara Dt.-Claims of the South Kanara Central Coop Wholesale Stores pending with the Govt. ~~Early Settlement~~ Settlement. papers- Recorded.

SECTIONAL NOTES.

Item(I):- Loss in Transport Charges. R.C.971/45-F.

In the serious food situation which faced the district in the year 1944-45, rapid internal movements of rice and paddy from the stocks of various scattered depots had to be made to replenish scarce and dry areas under the orders of the authorities to prevent breakdown in rationing. The total cost incurred on account of these movements, which has to be made good to this Stores amounting to Rs.91,641-12-0 was claimed, so long back as in August 1945. Four successive Collectors recommended sanction of the amount claimed and it is believed that it has been recommended more than once by the Board of Revenue also. At long last, the Board in their reference 2949-UII/46-24 (CS) dated 16-6-49 accepted the claim to the extent of Rs.67,683/- and recommended to Government for sanction. The Collector, in his endorsement communicating the Board's order, directed that the balance of Rs.1,76,702-7-0 held in deposit by us to the Treasury urgently. In G.O.Ms.No.678 Food dated 30-7-49, the entire sum held by the Stores on account of the penalties fund, viz., Rs 2,46,385-7-0 is required to be remitted to the Treasury immediately and the claim recommended is ignored altogether and the G.O. is silent about it. The matter is left in a flux.

The amount due is. . .Rs.91,641-12-0.

* after adjusting the Rs.67,683 should be remitted

---:o:---

BOARD'S REMARKS.

The Board submits that the proposal to pay a sum of Rs.67,683 being the loss said to have been incurred in transport charges from out of the savings effected by way of short payments to producers for late deliveries of foodgrains was not accepted and final orders were passed by the Government in G.O.No.678 (Food) dated 30-7-1949 in the matter. A further representation from the Stores in the matter has been submitted to Government with Board's reference No.57674-UII-47-34 dated 21-11-49 for their information.

OFFICE NOTE.

In another file we have informed the Stores ~~to get~~ [illegible] emo.No.28160-A/50-2 dated29-7-50 that its claim for reimburse.ent f loss in question cannot be accepted. No separate action is alled for on this point.

26/9/50 26.9.50.

3/10/50

Mr.Shiva Rao, President of the Stores during his interview with C.M.(Food) on 6-1-51 represented that the scheme of procurement and distribution by Govt was ~~here~~ in initial stages (in 1946-47) that the Collector had tentatively fixed certain transport charges and that the excess amount actually incurred for meeting the transport charges should be made good to the Cooperative Stores which should not be penalised for having undertaken this work on behalf of Govt. He desired that the Stores should be permitted to adjust this amount out of the penalties collected and retained in their custody. As a last resort he said that he had no objection to the amount being reimbursed to the stores by a suitable price increase. The Govt. reconsidered the whole question and issued orders that the S.K.C.C.W.Stores might be permitted to ~~re-imburse~~ reconp the loss of Rs.91,641-12-0 by suitably raising the wholesale issue price on rice. In view of this no action is called for on this item.

12/51 12.3.51

14/3/51

SECTIONAL NOTES.

II. Interest on cost of wheat exported to Agra-Rc.1252/46-F.

Out of the excess stock of wheat imported and lying here, 2,000 tons were exported to Agra under orders of the Board and the movement was completed on 6-1-1947. The total value of the goods due to the Stores amounted to Rs.3,98,010-10-0 which was received after a long delay thus; Rs.3,20,000 on 2-9-48 and the balance of Rs.73,010-10-0 on 22-4-48 Interest at 6% amounting to Rs.26,793 was claimed on 26-4-48. After protracted correspondence with regard to the weight, quantities, etc and a number of reminders to the Board from the Collector, the claim is said to have been rejected by the Board (reason not stated) as intimated by the Collector in his D.Dis.11349-46(R) dated 10-11-48. We applied on 13-7-49 to the Board for reconsideration; but it is turned down as intimated in Board's Ref.Accounts-II-4-2286/49(1) dated 13-10-1949 saying that it was a tit for tat because we declined to pay interest on the penalties amount held by us in suspense account. We have thus to approach Government. Amount involved is Rs. 26,793-0-0.

--:--

BOARD'S REMARKS.

The claim for interest in this case was rejected by the Board primarily because there was no prior understanding as to payment of interest and the Stores has held large amounts due to the Government for long periods. The Stores have now preferred an appeal to the Government against the orders of the Board. The appeal will be submitted to the Government with remarks after certain particulars called for from the Collector of South Kanara are received. In this connection the Board invites the attention of the Government to its reference Accounts.II.4.2286/43(3) dated 28-11-1949.

OFFICE NOTE.

Relevant extracts have been given to D.section for necessary action. No separate claim is called for in this file.

Three D to note.

26/9/50

26.9.50

The claim of the Stores has since been rejected as no such claims for interest are admissable.

28.9.50

28/9/50.

2/10/50

3/10/50

P.

Mr.Shiva Rao, President of theStores during his interview with F.M.(Food) on 6-1-51 represented ~~that Rs.26,995-6-0 representing interest on the cost of wheat exported to Agra. Mr.Shiva Rao explained~~ that it was open to the Cooperative Society to refuse to part with the stock of wheat in the absence of immediate cash payment, when he was required by the Collector ofSouth Kanara to despatch the stocks, but he did not adopt the attitude, as he expected prompt payment and fair treatment. His main point was, that the amount covered by the wheat exported was over 4 lakhs of rupees, which the Stores had borrowed from elsewhere on interest and that it would be therefore unfair, if the Stores were denied interest for the period of delay in payment, which was inordinate. Mr.Shiva Rao also said that, if Govt. thought it necessary, he had no objection to the interest being calculated in respect of Govt. moneys held by the Cooperative Stores.

In view of the representation made by the President, the Board of Revenue(C.S) is being asked to calculate interest on the penalty amount of 2,46,385-7-0 due to Govt. which the Stores have been keeping from 1944. D.Section is pursuing action in this regard. No separate action is called for. ~~with file~~.

4/3/51 12.3.51

14/3/51

SECTIONAL NOTES.

III. Maize exported to Travancore R.C.1217/46-F.

In their order Ref.D.4409-46-2 CS dated 6-12-46, the Board directed the supply of 4,000 tons of maize from this Province to Travancore Government out of which, we were ordered to supply 1,000 tons. The export of this maize was completed in the last week of December 1946. The amount was paid after a protracted delay and we claimed an interest of Rs.2,797-7-3. on 4-1948. The Collector, in his endorsement Ref.18396-47(R) dated 6-8-1949, communicated copy of Board's Order Ref.No.94742/49/LIV(2) dated 1-9-49 that the Government of India have decided to allow a profit of 4 annas per bag in lieu of interest and that orders for payment are awaited from the Regional Food Commissioner, Madras. This covers our claim fully, but it is not known when at all the amount will be actually received by us. Amount involved is Rs.2,797-7-3

BOARD'S REMARKS.

Extract from BD' letter. dt 13.12.49

"The Government of India have since sanctioned a sum of Rs.2797-7-3 claimed by the Stores and the Account General, Madras has been asked to state whether the Credit afforded by the Deputy Accountant General, Food and Rehabilitation has been adjusted to the credit of the Personal Deposit account of the Commissioner of Civil Supplies. The Accountant General has been specially reminded in the matter in Board's Ref.No. 94742/48/LIV/2 dated 9-12-49. The amount will be paid to the Stores on receipt of intimation of adjustment from the Accountant General, Madras."

Extract from BD' letter. dt 29.3.50

"This sum has been refunded to the Collector of South Kanara in Board's Ref.94742/48.LIV-2 dated 23-3-50 for payment to the Stores."

OFFICE NOTE.

In view of 'A' above ~~In the circumstances~~ no action is called for.

19/5 26.9.50.

27/10/50

3/10/50

SECTIONAL NOTES.

IV. 2,000 tons maize imported from Malabar R.C.70/48-F.

2,000 tons of maize were ordered to be imported into this district from Malabar stocks and as ~~xxxxxxx~~ it required by the Collector of Malabar, the estimated cost thereof amounting to Rs.4,50,000 was remitted to him by telegraphic transfer in the last week of June 1948. The total cost due to the Collector of Malabar on account of this maize, as intimated by him, amounted to Rs.~~4,47,402-4-0~~ *, leaving thus a balance of Rs.2,682-15-3 with the Malabar Collector due to us. This has been intimated by the Collector of South Kanara in his R.C.No.11386-48(R) dated 11-12-48, requesting the Board to sanction payment of this amount to us. The Collector sent a series of reminders to the Board on 25-4-49, 16-5-49, 4-6-49, 28-6-49, 19-7-49, 8-8-49 and 2-9-1949. No orders till now. Amount involved is Rs.2,682-15-3.

* 4,41,105-3-3; but the actual amount realised by us on this consignment amounted only to Rs 441,422-4-0,

---

BOARD'S REMARKS.

Extract of BOR' remarks in the reply. dt 13.12.49

" The amount of Rs.2682-15-3 claimed by the South Kanara Central Cooperative Wholesale Stores Limited, towards subsidy included a claim for Rs.852-2-0 towards insurance charges which was inadmissible and was therefore disallowed. Out of the balance amount of Rs.1830-13-3 (Rs.2682-15-3 minus 852-2-0) actually due to the Stores, a sum of Rs.1147-8-3 was sanctioned as subsidy in Board's Reference No.160728/48/LIV/2 dated 14-10-49 and the amount was drawn by the Collector of South Kanara and disbursed to the Stores in October 1949. The Collector of Malabar was asked to refund the balance of Rs.683-5-0 from the amount deposited with him by the Collector of South Kanara on behalf of the Stores and he has been asked to report whether the amount has since been refunded to the Stores. A further report will be sent on receipt of his reply.

Extract from BOR' reply dt 29.3.50.

The Collector of South Kanara has since reported that the above amount has been disbursed to the Stores. "

A

OFFICE NOTE.

No action is necessary on this in view of A above

28/9 dept 28/9/50.

26/9/50 26.9.50.

WB 29/9/50

3/10/50

SECTIONAL NOTES.

V. Allowance for preparation and submission of weekly return -- R.C.1042/F2.

Weekly stock returns are got from nearly 200 depots scattered all over the district and these are compiled here and submitted to the Collector for his weekly telegraphic report to the Board. Government allowed at the rate of Rs.2/- per month per depot and Rs.2,208/- claimed for the year 1947-48 was paid In Government Memorandum No.1512-UIII/46-1 dated 30-4-46 payment of an allowance of Rs.2/- per mensem on account of the weekly stock returns was sanctioned with effect from 1-4-46. Hence, the allowance due for 1946-47 was claimed, but the Board in Proceedings No.L.Dis.7757-48-P dated 24-7-48, turned down the claim as inadmissable for reasons not stated. These returns have been submitted in the subsequent years also, i.e. 48-49 and 49-50, but as the principle of payment made for the year 47-48 has been held to be inapplicable for the previous year for reasons not given, the Stores has not ventured into pressing for the turned down claim or urging for payment of 1948-49 and 1949-50. Approximate amount involved for the three years is about Rs.6,000-0-0.

BOARD'S REMARKS.

With regard to the claim of the South Kanara Cooperative Wholesale Stores, Ltd., for an allowance of Rs.6000/- for the preparation and submission of weekly returns, the Board invites the attention of the Government to their Memo.No.41737-A/50-2 Food and Agriculture, dated 8-8-50 and submits that with reference to the orders therein steps have been taken for paying the amount due to the stores. The Board submits herewith a copy of its reference issued to the Collector of South Kanara on the subject.

OFFICE NOTE.

In the circumstances no action is called for on this.

26/9/50

SR.9.50.

3/10/50

SECTIONAL NOTES.

VII. Sales tax collected on transport surcharge RC.75/49-A.

To meet the cost of internal transport of locally procured stocks from surplus to deficit centres, Collector, in his R.C. 8983-48 dated 17-5-48 allowed an uniform rate per mura to be collected at sale. This was being shown separately in the Cash Memos in order to classify them properly and render correct accounts to the Collector. The charges incurred and receipts were carried to a separate suspense account but not to profit and loss account. The Commercial Tax authorities held that the amounts so collected are taxable and levied to tax. We preferred an appeal to the Commercial Tax Officer, which was dismissed. An appeal has since been preferred to the Board on 21-7-1949. It is still pending. Amount involved is Rs:2,468-14-3.

BOARD'S REMARKS.

The Stores contended that the amounts were shown separately in each bill and that it should be exempted under rule 5(1)(g) of the Turnover and Assessment Rules, 1939. The turnover involved for 1947-48 under this item is Rs.1,73,214-2-5. This amount represents transport charges collected by the stores from retailers in order to recoup the extra expenditure incurred in connection with the inter-taluk transport of local stocks of rice and paddy and this resulted in an increase in the wholesale issue price allowed to the stores to meet its own transport charges in respect of transferred stocks of rice and paddy. These are not charges met by the stores on behalf of the customers. These are presale charges and form part of the aggregate price of the goods sold. As the assessment was in order the Board upheld the assessment and rejected the revision petition.

In respect of these two items the revision petition ...rred to by the Stores related to the period 1947-48 only and it accounts for the difference in the figures reported by them in the Memorandum.

OFFICE NOTE.

This Dept. may accept the Board's views, ~~and the Stores~~ ~~Dept~~ Revenue may see.

26/9/50 Y 26-9-50

LD 29/9/50

Yes 3/10/50

To AS

This Dept. may also accept the Bd's Refund to above.

Y 10/12/50 Yes 17-12-50

11-12-50 AS 11/12/50

P.T.O.

~~[illegible] the [illegible] during his tour with [illegible] on [illegible] reproduced [illegible], 3(b) and 4, I think to [illegible] of sales tax on transport [illegible] whether it [illegible] sales tax has been collected by the [illegible] Tax Report set on transport charges and hence can charge to the [illegible] that these should be treated as part of the price.~~ [illegible] out, that the Store did not collect sales tax from [illegible] general public as no such direction [illegible] that the commercial [illegible] and recover [illegible] these items for the Store. In [illegible] comments, I point out that at the least it should be maintained to [illegible] automatic stores either by adjustment from rent, which will [illegible] by an appropriate increase on the [illegible].

In the light of the representation [illegible], the Board of Trade(C.C) was asked to offer its remarks on the Pandit Mitra suggestion. The Board has now submitted its report and the question is being dealt with separately. No action is called for on this matter.

12/3/51

14/12/51

SECTIONAL NOTES.

VIII. Levy of licence fee under Section 8 from the agents of this Stores for 45-46 and 46-47 - R&C.946/A.

The Commercial Tax authorities held that the agents Managers) of the reception depots of this Stores who were paid ommission at a fixed rate, instead of salary are agents within he meaning of Section 8 of the Madras General Sales Tax and are iable to obtain individual licences. The matter was referred o the Board twice (on 18-12-46 and 18-5-47) explaining that the esignation "Agent" only signifies Managers employed by the Stores nd subject to disciplinary action and control as other paid ervants and are not dealers by themselves, in their individual apacity. The payment of commission instead of a fixed salary as only an economic device. The appeal was, however, turned own as per Board's Order L.Dis.T.6363/47 dated 4-9-49. he amount involved is Rs.21,833-0-0.

BOARD'S REMARKS.

The stores had under them agents. The agents worked on an greed commission on behalf of their principals, the stores. The oard held that all the agents of the stores other than those ppointed on a fixed salary are commission agents liable to take ut licence under Section 8 of the M.G.S.T.Act.

OFFICE NOTE.

The views of the Board of Revenue(C.T) may be accepted and the stores informed accordingly.

Revenue may see.

26/9/50 26.9.50 27/9/50 3/10/50

To AS

The President of the South Kanara Cooperative Wholesale Stores Ltd. ... in March last that the licence ... penalty amounting to Rs. 21,833 ... remitted for the years 1945-46 ... 1946-47 might be refunded. ... in Memo no. 15-269 N/50-2 ... was informed that his request ... could not be complied with. ... request dealt with in the note at

Mr.Shiva Rao, President of the Stores during his interview with H.M.(Food) on 6-1-1951 represented that the so called agent employed for this purpose was not an independent unit, but only a clerk or manager under the Cooperative Stores and subject to their disciplinary action and that it was therefore wrong to have treated him as an agent and collected license fee. ~~This is however a matter for Revenue to consider.~~ This related to Revenue Department. Relevant extracts had already been sent to Revenue Dept. for consideration. No action is called for in this Dept.